



Agenda
Village of Arlington Heights
Board of Trustees of the Police Pension Fund
Police Department Community Room

January 25, 2023
5:30 PM

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF MINUTES

A. October 26, 2022

IV. CLOSED SESSION

V. TREASURER'S REPORT

- A. Report of the Village Treasurer
- B. Approval of the Check Register

VI. PAYMENT OF BILLS

VII. REPORTS

A. Quarterly Investment Report - Wall Capital Group

- Potential purchase or sale of securities, portfolio rebalancing, and/or potential retention or termination of investment managers/advisors.

VIII. OLD BUSINESS

- A. Update regarding pending litigation
- B. Retirement, Decision and Order, Michael Cowser, 09/27/2022

IX. NEW BUSINESS

- A. Semi-annual review of closed session meeting minutes
- B. Statements of Economic Interest

- C. Approve annual Cost of Living Adjustment (COLA) for Pensioners
- D. Review Trustee term expirations and election procedures
- E. Reallocation of investments, if necessary
- F. Annual verification for eligibility of pension beneficiaries
- G. Death notification, retiree Edward Barnes 11/20/2022, surviving spouse Aurelia Cano
- H. New Hire, Kevin Zarembo, 12/19/2022, Tier II Participant
- I. Schedule annual examinations of disabled police officers

X. OTHER BUSINESS

XI. ADJOURNMENT

Persons with disabilities requiring auxiliary aids or services, such as an American Sign Language interpreter or written materials in accessible formats, should contact Erin Mercado, at 33 S. Arlington Heights Road, Arlington Heights, Illinois 60005, emercado@vah.com or (847)368-5793.

**MINUTES OF THE REGULAR MEETING OF THE
ARLINGTON HEIGHTS POLICE PENSION FUND BOARD OF TRUSTEES
MULDER COMMUNITY ROOM, POLICE DEPARTMENT
200 E. SIGWALT STREET
WEDNESDAY, OCTOBER 26, 2022
DRAFT**

Vice President Thomas Henderson called the meeting to order at 5:30 PM. Roll call was taken with:

Board Members Present: Petar Milutinovic, President
Tom Henderson, Vice President
Mike Schenkel, Secretary
Bill Falk, Assistant Secretary
Harry Malone, Trustee

Board Members Absent: None

Also Present: Dave Wall, Wall Capital Group, Keith Karlson, Pension Board Attorney, Mary Ellen Juarez, Assistant Director, Finance, Kim Peterson, Recording Secretary

PUBLIC COMMENTS

Melissa Cayer, Arlington Heights resident, stated the Board should not increase property taxes, but decrease expenses and decrease property taxes.

APPROVAL OF MINUTES

A. July 27, 2022

Mr. Henderson moved, seconded by Mr. Schenkel, to approve the minutes of the regular board meeting held on July 27, 2022. The motion passed unanimously.

TREASURER'S REPORT

A. Report from the Village Treasurer

Ms. Juarez presented the 2023 Police Pension budget and advised that it is pretty much the same as last year's, although the expenditure account was increased a little bit to compensate for the additional pensioners that will be added. In addition, there was a small increase in the Investment Management Services account. In regards to the Police Pension Fund Financial Report, Ms. Juarez advised that in August, \$2 million was transferred in and that they are projecting to transfer in additional \$2 million for this month to cover costs, as property taxes are late. Ms. Juarez had originally projected that the Fund would have received \$250,000 in property tax disbursements during the month of October, however at this point, nothing has come in. Mr. Wall indicated that this money will come from the NIS account and usually takes about a day or two to get deposited into the checking account. Ms. Juarez advised that as of the end of September, there is \$1.3 million in the checking account, with \$148 million in plan assets. In addition, there are \$855,000 in expenditures, with most of this coming from pension payments.

B. Approval of the Check Register

Mr. Henderson moved, seconded by Mr. Schenkel, to approve the check to Mesirov, for liability insurance, checks #700 through 703, and the check to Kim Peterson, for secretarial services, as stated in the Board's packet. Roll Call was taken. The motion passed unanimously.

Mr. Henderson moved, seconded by Mr. Milutinovic, to accept the Treasurer's Report and Treasurer's Budget. The motion passed unanimously.

PAYMENT OF BILLS

None.

REPORTS

A. Quarterly Investment Report – Wall Capital Group

- Potential purchase or sale of securities, portfolio rebalancing, and/or potential retention or termination of investment managers/advisors

Mr. Wall advised that his firm closed their office in Hinsdale, as a result of the pension consolidation, although there is no change in his status.

Mr. Wall stated that the plan is sitting at just about 63% of the portfolio in equities, with approximately \$148 million in plan assets. Mr. Wall advised that the fund continues to have a challenging year and that on a year-to-date (YTD) basis, the plan is down approximately 18%. Mr. Wall explained how the Great Lakes and value stocks portfolio have been very beneficial compared to other plans. The operating account currently has \$1.3 million and the NIS account is down about 8.8%, on a YTD basis. The Passive All-cap portfolio has approximately \$3.3 million, which is down about 23% on a YTD basis. The Great Lakes Large-Cap portfolio is down about 16% on a YTD basis, with benchmark that is down about 17%. The Passive Large-Cap and GW&K Small-cap portfolios are both down about 23% on a YTD basis, and the International portfolio is down about 33% YTD.

Mr. Wall advised that his report is unfortunately not a good one but he doesn't recommend any changes.

Mr. Henderson moved, seconded by Mr. Milutinovic, to accept the Investment Report. The motion passed unanimously.

OLD BUSINESS

A. Update regarding pending litigation

Mr. Karlson advised that the case is currently with the Intermediate Court of Appeals and if the plaintiffs prevail, it will automatically be heard by the Illinois Supreme Court, if they do not, they will have to file an appeal and ask for it to be heard by the Illinois Supreme Court..

B. Approval of Municipal Compliance Report

Mr. Milutinovic advised that this item was already covered.

C. Approval of the Actuarial Valuation and Adoption of the recommended tax levy

Mr. Milutinovic advised that this item was already covered.

D. 2022 IPPFA Training Conference attendance

Mr. Milutinovic advised that he submitted invoices to Finance for the cost of the conference for Mr. Malone, Mr. Schenkel and himself, and Mr. Falk, who attended an actuary conference, will forward his certificate of completion to Mr. Milutinovic.

E. New Hire – Christopher Seebacher 05/02/22 (Tier I Participant – hired by Evanston P.D. in 2009)

Mr. Schenkel moved, seconded by Mr. Henderson, to accept Officer Seebacher into the Fund as a Tier I Participant. The motion passed unanimously.

NEW BUSINESS

A. Schedule next calendar year quarterly meetings

Mr. Henderson asked if the fourth Wednesday at 5:30 PM still works for everyone, which all stated yes. The 2023 Police Pension Fund Regular Board Meetings will take place on January 25, April 26, July 26, October 25 in the Arlington Heights Police Department Community Room.

B. Retirement, Decision and Order, Michael Cowser

Mr. Henderson advised that this item will be tabled to the January 2023 meeting.

C. Notice of Death, Paul Sandberg, no surviving spouse

Mr. Henderson advised that Paul Sandberg passed away in late August of 2022.

Mr. Henderson moved, seconded by Mr. Schenkel, to terminate the benefit, effective August 25, 2022. The motion passed unanimously.

D. New Hire – Wynton Parker 08/01/22 (Tier II Participant)

Mr. Milutinovic moved, seconded by Mr. Schenkel, to accept Officer Parker into the Fund as a Tier II Participant. The motion passed unanimously.

OTHER BUSINESS

Mr. Malone asked where the money is going from those who are already transferring into the consolidated pension fund, which Mr. Karlson stated that it is mostly going in-kind. Mr. Karlson provided a brief update about the consolidated fund and advised that the people who may get the Arlington Heights Police Pension money are trying to do the right thing with this cash fund.

ADJOURNMENT

Mr. Schenkel moved, seconded by Mr. Henderson to adjourn the meeting at 6:10 PM. The motion passed unanimously.